

STATEMENT OF PROCEEDINGS
REGULAR MEETING OF THE AIR POLLUTION CONTROL BOARD
SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT
WEDNESDAY, JULY 26, 2000

Meeting was called to order at 9:10 a.m.

Present: Members Dianne Jacob, Chairwoman; Ron Roberts, Vice Chairman; Greg Cox; Pam Slater and Bill Horn; also Thomas J. Pastuszka, Clerk.

Approval of Statement of Proceedings/Minutes for meetings of June 21, 2000 and July 11, 2000.

ACTION:

ON MOTION of Member Slater, seconded by Member Roberts, the Members of the Air Pollution Control Board approved the minutes for the meetings of June 21, 2000 and July 11, 2000 .

AYES: Cox, Jacob, Slater, Roberts, Horn

Public Communication
(No Speakers)

Air Pollution Control District Agenda Items

1. NOTICED PUBLIC HEARING:
AMENDMENT OF RULE 1203 - ETHYLENE OXIDE STERILIZERS AND
AERATORS
 2. NOTICED PUBLIC HEARING:
AMENDMENT OF RULE 61.2 - TRANSFER OF ORGANIC COMPOUNDS INTO
MOBILE TRANSPORT TANKS
 3. REALLOCATION OF CARL MOYER PROGRAM FUNDS
(4 VOTES)
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APCB 1.**SUBJECT: NOTICED PUBLIC HEARING:**
AMENDMENT OF RULE 1203 - ETHYLENE OXIDE STERILIZERS
AND AERATORS
(Supv. Dist: All)

OVERVIEW:

Rule 1203 controls ethylene oxide emissions from sterilization and aeration operations. The rule was first adopted July 23, 1991, to implement an Air Resources Board (ARB) statewide Airborne Toxic Control Measure (ATCM). The ATCM was amended and now consists of two parts. Part 1 is

similar to the original ATCM and applies to sterilizers and aerators at medical facilities; such as hospitals, clinics and doctors' offices, and small commercial facilities (using less than 2,000 pounds of ethylene oxide per year). It no longer applies to large commercial sterilizers. Part 2 was adopted to satisfy new National Emission Standards for Hazardous Air Pollutants requirements for large commercial sterilizers.

In San Diego County, there is only one large commercial sterilizing facility subject to federal control requirements and thus to Part 2 of the state ATCM. However, there are nine medical sterilizer operations at local hospitals and one small biotech sterilizer that have been subject to District Rule 1203 and now Part 1 of the amended state ATCM.

The District is proposing to make minor changes to Rule 1203 to incorporate the Part 1 requirements of the amended state ATCM. This will ease compliance for the 10 small sterilizer operations that are familiar with Rule 1203 requirements. Specifically, the amendments will clarify definitions and standards and require record keeping consistent with the state ATCM, but exempt large commercial sterilization facilities which are now subject to Part 2. Since the only large commercial sterilizing facility in San Diego is operated by a national company familiar with the federal requirements, the District is not proposing to adopt a new rule incorporating those requirements but, instead, to implement Part 2 of the ATCM directly as provided by state law.

The amendments to Rule 1203 are minor and are not expected to significantly impact local facilities. A public workshop on proposed amended Rule 1203 was held on March 21, 2000. The workshop report is attached.

FISCAL IMPACT:

Amending Rule 1203 will have no fiscal impact on the District.

RECOMMENDATION:

AIR POLLUTION CONTROL OFFICER:

Adopt the resolution amending Rule 1203 of the District Rules and Regulations and make appropriate findings:

- (i) of necessity, authority, clarity, consistency, non-duplication, and reference as required by Section 40727 of the State Health and Safety Code;
- (ii) that amending Rule 1203 will alleviate a problem and will promote attainment of ambient air quality standards (Section 40001 of the State Health and Safety Code); and
- (iii) that an assessment of the socioeconomic impact of the proposed amendments is not required by Section 40728.5 of the State Health and Safety Code because the proposed amendments will not significantly affect air quality or emission limitations.

- (iv) that it is certain there is no possibility that amending Rule 1203 may have a significant adverse effect on the environment, and this action is exempt from the provisions of the California Environmental Quality Act pursuant to California Code of Regulations, Title 14, Section 15061(b)(3).

ACTION:

ON MOTION of Member Slater, seconded by Member Roberts, the Members of the Air Pollution Control Board closed the Hearing and took action as recommended, on Consent, adopting Findings as presented by County Counsel and adopting Resolution No. 00-274, entitled: RESOLUTION AMENDING RULE 1203 OF REGULATION XII OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

AYES: Cox, Jacob, Slater, Roberts, Horn

**APCB2SUBJECT: NOTICED PUBLIC HEARING:
AMENDMENT OF RULE 61.2 - TRANSFER OF ORGANIC
COMPOUNDS INTO MOBILE TRANSPORT TANKS
(Supv. Dist: All)**

OVERVIEW:

Rule 61.2 controls volatile organic compound (VOC) emissions during the transfer of liquids (e.g., gasoline or diesel fuel) into mobile transport tanks. The rule applies to bulk terminals, bulk plants, stationary storage tanks, and mobile transport tanks. It requires VOC emissions be controlled by at least 90%. In addition, the rule prohibits fugitive liquid and vapor leaks and requires spillage be minimized.

The proposed amendments will exempt specified gasoline transfer operations conducted by the Navy from the 90% emission control requirements provided such transfers are limited to a maximum of 21,000 gallons per year. The District has determined the VOC emission increase from this exemption is insignificant (179 pounds per year) and that add-on control equipment for this operation is clearly not cost-effective. These transfer operations will still remain subject to other emission control requirements of the rule, such as the minimum spillage requirement and the liquid leak prohibition.

The proposed amendments also lower the control equipment exemption from 5,000,000 to 500,000 gallons throughput of gasoline per year for six bulk plants constructed before 1984. No facility will be impacted, since all facilities operating under the exemption have gasoline throughputs of less than 500,000 gallons per year. Finally, the proposed amendments also require that all Phase I vapor recovery systems be certified by the California Air Resources Board (ARB).

Pursuant to the California Environmental Quality Act (CEQA), an Initial Study was prepared evaluating potential environmental consequences resulting from the proposed amendments. No significant adverse environmental effects were identified. Accordingly, a proposed Negative Declaration has

been prepared (Attachment II). Pursuant to CEQA, the Board must certify that the Negative Declaration reflects the Board's independent judgment of potential environmental consequences resulting from the proposed amendments. Attachment III is the Resolution making these findings and adopting the Negative Declaration.

A public workshop was held on May 27, 1999. The workshop report is provided in Attachment VI.

FISCAL IMPACT:

Amending Rule 61.2 will have no fiscal impact on the District.

BUSINESS IMPACT STATEMENT:

Amending Rule 61.2 will have a positive impact on local business because it will allow the Navy to conduct specified gasoline transfer operations without having to install a control device that is not cost-effective or without requiring a variance from the District Hearing Board to transfer gasoline without a control device.

Lowering the exemption limit to 500,000 gallons per year will have no impact on local business since all potentially affected facilities operate below the threshold.

RECOMMENDATION:

AIR POLLUTION CONTROL OFFICER:

(1) Consider the Initial Study and proposed Negative Declaration and adopt the Resolution adopting the Negative Declaration, making appropriate findings that: (a) the Initial Study and Negative Declaration reflect the Board's independent judgment and analysis; (b) considering the entire record before the Board, there is no substantial evidence that the proposed amended rule may have a significant adverse environmental effect; (c) the Negative Declaration is adopted as a true and complete statement of potential environmental consequences resulting from proposed amendments to Rule 61.2; and (d) there is no evidence in the entire record that proposed amendment to Rule 61.2 will have an adverse effect on wildlife resources and, on the basis of substantial evidence, the presumption of adverse effect in California Code of Regulations, Title 14, Section 753.5(d) has been rebutted.

(2) After adopting the Negative Declaration, adopt the resolution amending Rule 61.2 and make appropriate findings:

- (i) of necessity, authority, clarity, consistency, non-duplication, and reference as required by Section 40727 of the State Health and Safety Code;
- (ii) that amending Rule 61.2 will alleviate a problem and will not interfere with the attainment of ambient air quality standards (Section 40001 of the State Health and Safety Code); and

- (iii) that an assessment of the socioeconomic impact of proposed amended Rule 61.2 is not required by Section 40728.5 of the State Health and Safety Code because amending Rule 61.2 will not significantly affect air quality or emission limitations.
- (3) Approve the Certificate of Fee Exemption for De Minimis Impact Finding exempting the District from payment of fees to the California Department of Fish and Game.

ACTION:

ON MOTION of Member Slater, seconded by Member Roberts, the Members of the Air Pollution Control Board closed the Hearing and took action as recommended, on Consent, adopting Findings as presented by County Counsel and adopting Resolution No. 00-275, entitled: RESOLUTION AMENDING RULE 61.2 OF REGULATION IV OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

AYES: Cox, Jacob, Slater, Roberts, Horn

APCB3SUBJECT: REALLOCATION OF CARL MOYER PROGRAM FUNDS
(Supv. Dist: All)

OVERVIEW:

On December 15, 1999 (APCB #2), the Board approved the Carl Moyer Fund Allocation Plan for the first two years of the program. The Carl Moyer Program provides state funding for incentives to reduce emissions from heavy-duty diesel engines. Eligible projects reduce emissions by replacing older diesel vehicles with clean-fuel or cleaner diesel vehicles or repowering older diesel engines with clean-fuel or cleaner diesel engines. Two projects included in the allocation plan have been withdrawn from the program to participate in the Mobile Source Emission Reduction Credit (MERC) program with the proposed Pacific Gas & Electric Otay Mesa power plant. This frees \$200,000 for reallocation. There is additional \$13,179 available that was not allocated in 1999 because no eligible project could be funded for that amount.

The City of San Diego has approached the District with a scaled-down version of a project it originally submitted for Moyer Program funding in 1999. The City's original project was not recommended because funds were not sufficient for all eligible projects. Projects with higher cost-effectiveness were funded. The City's original project to purchase 30 liquefied-natural-gas (LNG) refuse packers was next on the funding list based on cost-effectiveness ranking (Attachment I). The scaled-down version of this project would purchase nine LNG refuse packers.

Board approval is requested to allocate the remaining available Moyer funds, \$213,179, to the City's revised project. This amount will offset most (88%) of the incremental cost of nine LNG refuse packers.

The re-allocation is needed to insure the District will not lose the remaining \$213,179 of the second-year Moyer Program funding allocation which must be obligated to specific projects by June 30, 2001. Waiting for the third-year Moyer Program funding cycle is not recommended because the local allocation process takes approximately six months to complete and, based on the timing of last year's allocation, we may not receive the application for third-year funding in time to complete the third-year allocation by the June 30, 2001, deadline.

FISCAL IMPACT:

The recommended action insures the District will receive the unallocated \$13,179 from the Carl Moyer Program and obligates that amount plus the \$200,000 from the withdrawn projects, a total of \$213,179, so we are not in danger of losing these funds. This funding is from the second-year funding allocation and must be obligated to specific projects by June 30, 2001. Waiting for the third-year allocation process is not recommended because that process can take up to six months to complete and, based on timing of the second-year allocation, we may not receive the third-year allocation in time to meet the June 30, 2001, deadline for these funds (\$213,179).

There is no net County cost associated with this action.

RECOMMENDATION:

AIR POLLUTION CONTROL OFFICER:

1. Approve the deletion of two projects from the Board-approved 1999 and 2000 Carl Moyer Program allocation plan.
2. Establish appropriations of \$13,179 in the Air Pollution Control District for the Carl Moyer Program based on unanticipated revenue from the Air Resources Board. (4 VOTES)
3. Approve the allocation of \$213,179 of available Carl Moyer Program funds to the City of San Diego's project towards the incremental cost of purchasing nine LNG refuse packers.
4. Authorize the Air Pollution Control Officer to submit a revised Carl Moyer Program project application to the California Air Resources Board for approval.
5. Authorize the Deputy Director, Purchasing and Contracting Division of General Services, in accordance with 398.17(a) of the County Administrative Code, to negotiate and award a contract to the City of San Diego for the purchase of nine liquefied-natural-gas (LNG) refuse packers subject to the approval of the Air Pollution Control Officer.

ACTION:

ON MOTION of Member Slater, seconded by Member Roberts, the Members of the Air Pollution

Control Board took action as recommended, on Consent.

AYES: Cox, Jacob, Slater, Roberts, Horn

There being no further business, the Board adjourned at 4:00 p.m.

THOMAS J. PASTUSZKA
Clerk of the Air Pollution Control Board
San Diego County Air Pollution
Control District

Notes by: Egan

NOTE: This Statement of Proceedings sets forth all actions taken by the San Diego County Air Pollution Control Board on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.